

Combined Utility System Fund
For the period ended August 31, 2004
(amounts expressed in thousands)

	Unaudited Preliminary FY2004	Adopted Budget	Current Budget	FY2005 YTD	Controller's Projection	F&A Projection
Operating Revenues						
Water Sales	\$ 265,384	\$ 311,068	\$ 311,068	\$ 52,349	\$ 311,068	\$ 311,068
Sewer Sales	257,860	299,253	299,253	48,955	299,253	299,253
Penalties	4,150	3,741	3,741	825	3,741	3,741
Other	4,561	4,360	4,360	776	4,360	4,360
Total Operating Revenues	<u>531,955</u>	<u>618,422</u>	<u>618,422</u>	<u>102,905</u>	<u>618,422</u>	<u>618,422</u>
Operating Expenses						
Personnel	115,538	122,241	122,241	19,584	122,241	122,241
Supplies	25,392	26,007	26,007	3,678	26,007	26,007
Electricity and Gas	38,919	47,169	47,169	6,156	47,169	47,169
Contracts & Other Payments	73,581	92,013	92,013	5,651	92,013	92,013
Total Operating Expenses	<u>253,430</u>	<u>287,430</u>	<u>287,430</u>	<u>35,069</u>	<u>287,430</u>	<u>287,430</u>
Operating Income (Loss)	<u>278,525</u>	<u>330,992</u>	<u>330,992</u>	<u>67,836</u>	<u>330,992</u>	<u>330,992</u>
Nonoperating Revenues (Expenses)						
Interest Income	13,461	5,161	5,161	849	5,161	5,161
Sale of Property, Mains and Scrap	596	508	508	174	545	545
Other	70,832	7,863	7,863	258	7,863	7,863
Impact Fees	0	14,000	14,000	0	14,000	14,000
HAWC	(2,237)	(4,608)	(4,608)	(1,118)	(4,608)	(4,608)
CWA & TRA Contracts (P & I)	<u>(31,454)</u>	<u>(32,317)</u>	<u>(32,317)</u>	<u>(7,946)</u>	<u>(32,317)</u>	<u>(32,317)</u>
Total Nonoperating Rev (Exp)	<u>51,198</u>	<u>(9,393)</u>	<u>(9,393)</u>	<u>(7,783)</u>	<u>(9,356)</u>	<u>(9,356)</u>
Income (Loss) Before Operating Transfers	<u>329,723</u>	<u>321,599</u>	<u>321,599</u>	<u>60,053</u>	<u>321,636</u>	<u>321,636</u>
Operating Transfers						
Debt Service Principal	67,492	12,675	12,675	2,338	12,675	12,675
Debt Service Interest	154,238	179,902	179,902	16,371	179,902	179,902
Discretionary Debt	29,572	28,934	28,934	5,494	28,934	28,934
Other Contractual Obligations	0	474	474	0	474	474
Equipment Acquisition	8,145	17,862	17,862	0	17,862	17,862
CUS General Purpose Fund	0	49,752	49,752	35,850	49,789	49,789
Transfer to General Fund	0	2,000	2,000	0	2,000	2,000
Transfer to Combined Utility System	60,176	0	0	0	0	0
Transfer to Stormwater	<u>10,100</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>	<u>30,000</u>	<u>30,000</u>
Total Operating Transfers	<u>329,723</u>	<u>321,599</u>	<u>321,599</u>	<u>60,053</u>	<u>321,636</u>	<u>321,636</u>
Net Current Activity						
Operating Fund Only	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

About the Fund:

The Combined Utility System Fund is an enterprise fund which accounts for operation of the City's water and wastewater facilities. The fund provides for the operation of the City's treated and untreated water, as well as, receive and process wastewater generated in a service area that includes the City, certain municipalities and unincorporated communities in the Houston metropolitan area. Some of the City's largest customers are other cities and water authorities which supply water to their own customers.